

# **EXHIBIT 16**

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE SOUTHERN DISTRICT OF NEW YORK  
3 -----X  
H. CRISTINA CHEN-OSTER; LISA PARISI;

4 and SHANNA ORLICH,

5 Plaintiffs,

6 - against -

7 GOLDMAN, SACHS & CO. and THE GOLDMAN  
8 SACHS GROUP, INC.,

9 Defendants.

10 CASE NO.: 10-cv-06950 (LBS) (JCF)  
11 -----X

12 \* \* \* C O N F I D E N T I A L \* \* \*

13  
14 250 Hudson Street  
15 New York, New York  
16 July 10, 2013  
17 9:40 a.m.  
18

19 DEPOSITION of CAROLINE HELLER SBERLOTI,  
20 pursuant to 30(b)(6) Notice, before Sophie  
21 Nolan, RPR, a Shorthand Reporter and Notary  
22 Public within and for the State of New York.  
23  
24  
25

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<p>1 A P P E A R A N C E S:</p> <p>2</p> <p>3 LIEFF CABRASER HEIMANN &amp; BERNSTEIN, LLP</p> <p>4 Attorneys for the Plaintiffs</p> <p>5 250 Hudson Street</p> <p>6 New York, New York 10013</p> <p>7 BY: RACHEL GEMAN, ESQ.</p> <p>8 PHONE 212-355-9500</p> <p>9 FAX 212-355-9592</p> <p>10 E-MAIL rgeman@lchb.com</p> <p>11</p> <p>12 OUTTEN &amp; GOLDEN, LLP</p> <p>13 Attorneys for Plaintiffs</p> <p>14 3 Park Avenue New York, New York 10016</p> <p>15 BY: CYRUS E. DUGGER, ESQ.</p> <p>16 PHONE 212-245-1000</p> <p>17 FAX 646-509-2060</p> <p>18 E-MAIL cdugger@outtengolden.com</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 3	Page 5
<p>1 A P P E A R A N C E S: (Cont'd)</p> <p>2</p> <p>3 SULLIVAN &amp; CROMWELL, LLP</p> <p>4 Attorneys for Defendants</p> <p>5 125 Broad Street</p> <p>6 New York, New York 10004</p> <p>7 BY: SUHANA S. HAN, ESQ.</p> <p>8 PHONE 212-558-4647</p> <p>9 FAX 212-558-3588</p> <p>10 E-MAIL hans@sullcrom.com</p> <p>11</p> <p>12 PAUL HASTINGS, LLP</p> <p>13 Attorneys for Defendants</p> <p>14 875 15th Street, N.W.</p> <p>15 Washington, DC 20005</p> <p>16 BY: CARSON H. SULLIVAN, ESQ.</p> <p>17 PHONE 202-551-1809</p> <p>18 FAX 202-551-0209</p> <p>19 E-MAIL carsonsullivan@paulhastings.com</p> <p>20</p> <p>21 ALSO PRESENT:</p> <p>22 MARTIN L. SCHMELKIN, ESQ.</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
(PAGES 6-17)**

**FILED UNDER SEAL**

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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 reports presently?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. How many?</p> <p>4 <b>A. I have two direct reports.</b></p> <p>5 Q. Okay. Who are they?</p> <p>6 <b>A. Stephanie Morris and Iona Stevens.</b></p> <p>7 Q. Have you had any others in the</p> <p>8 period 2008 through the present, any other</p> <p>9 direct reports?</p> <p>10 <b>A. I think those have been my direct</b></p> <p>11 <b>reports during that period.</b></p> <p>12 Q. What in your present position are</p> <p>13 your duties and responsibilities relating to</p> <p>14 promotions within the Securities Division --</p> <p>15 MS. SULLIVAN: Objection.</p> <p>16 Q. -- from vice president to managing</p> <p>17 director?</p> <p>18 <b>A. I helped facilitate the process for</b></p> <p>19 <b>the Securities Division.</b></p> <p>20 Q. Meaning what?</p> <p>21 <b>A. So, there are timelines and</b></p> <p>22 <b>procedures that have to get done in order to</b></p> <p>23 <b>have people be promoted and we help facilitate</b></p> <p>24 <b>those for the Securities Division.</b></p> <p>25 Q. And do you have similar duties in</p>
Page 19	Page 21
<p>1 Q. What is her title?</p> <p>2 <b>A. Global head of HR, global business</b></p> <p>3 <b>partner for the Securities Division.</b></p> <p>4 Q. And you're co-head of the</p> <p>5 generalist business partners for Securities</p> <p>6 around the world?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. Okay. Is there someone who's in</p> <p>9 charge of America?</p> <p>10 <b>A. No.</b></p> <p>11 Q. And how was what she does different</p> <p>12 from what you do?</p> <p>13 MS. SULLIVAN: Objection, vague.</p> <p>14 Q. Do you know what I mean? It sounds</p> <p>15 like it's similar titles.</p> <p>16 MS. SULLIVAN: Who are we talking</p> <p>17 about?</p> <p>18 MS. GEMAN: Linda Fox.</p> <p>19 A. So, the generalist function looks</p> <p>20 after a series of things including promotion</p> <p>21 compensation. There are other HCM functions</p> <p>22 like recruiting and training that also run roll</p> <p>23 into Linda that I don't have responsibility</p> <p>24 for.</p> <p>25 Q. Understood. And do you have direct</p>	<p>1 connection with compensation of associates and</p> <p>2 vice presidents in the Securities Division?</p> <p>3 <b>A. Yes, I help facilitate the process</b></p> <p>4 <b>for the -- the compensation process for the</b></p> <p>5 <b>Securities Division.</b></p> <p>6 Q. And I just want to clarify</p> <p>7 something just to make it explicit. As you saw</p> <p>8 from the complaint, we are only interested in</p> <p>9 U.S. employees. And so my questions today are,</p> <p>10 even if I ask about Securities, which has a</p> <p>11 global component, I'm interested in U.S.-based</p> <p>12 associates and vice presidents in the</p> <p>13 Securities Division, including the predecessor</p> <p>14 divisions like you mentioned earlier from 2000</p> <p>15 to the present.</p> <p>16 <b>A. Okay.</b></p> <p>17 Q. Okay, thank you. And to circle</p> <p>18 back on something, it sounds like the first</p> <p>19 time you had duties and responsibilities</p> <p>20 relating to those topics that I just listed was</p> <p>21 2005?</p> <p>22 <b>A. Yes.</b></p> <p>23 Q. Okay. To prepare for this</p> <p>24 deposition, what did you do to familiarize</p> <p>25 yourself with those compensation, performance</p>

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<p>1 review and promotion topics for the time period 2 before 2005?</p> <p>3 MS. SULLIVAN: I'm just going to 4 object to the extent that shes already 5 testified that she met with counsel and 6 anything during those meetings is 7 privileged.</p> <p>8 A. I would say most of my knowledge 9 between the period of 2002 to 2005 comes from 10 the experience I've had during my current 11 capacity and in asking about how we used to do 12 things and understand it. So I feel familiar 13 with those topics despite having become 14 involved in 2005.</p> <p>15 Q. And do you have any knowledge of 16 those topics for the period 2000 through 2002?</p> <p>17 MS. SULLIVAN: Objection, vague.</p> <p>18 A. Again, it would be consistent with 19 my knowledge of sort of 2002 to 2005.</p> <p>20 Q. Okay. Fair enough. I understand 21 you weren't working directly relating to 22 compensation, performance evaluation and 23 promotion, but you do have knowledge of those 24 processes in the Securities Division between 25 2000 and 2005?</p>	<p>1 vague.</p> <p>2 A. They review the compensation -- 3 sorry. They review the compensation decisions 4 made by the managers and typically discuss the 5 overall environment and business performance of 6 each business unit within the Securities 7 Division.</p> <p>8 Q. And where in the compensation 9 process does the compensation committee discuss 10 the overall environment and business 11 performance of the units?</p> <p>12 <b>A. So, after individual managers 13 within the business units have come up with 14 their initial recommendations, the compensation 15 committee meets to review them.</b></p> <p>16 Q. And in that context the discussions 17 occur about the business environment?</p> <p>18 <b>A. Yes. To clarify, there are also 19 conversations about the business environment 20 and prior to that, prior to individual 21 recommendations being submitted.</b></p> <p>22 Q. So let's start with discussions 23 after recommendations are submitted. Are these 24 discussions that the committee members have 25 among themselves or with the managers?</p>
Page 23	Page 25
<p>1 <b>A. Yes, more familiar post 2005, but I 2 understand.</b></p> <p>3 Q. Okay.</p> <p>4 MS. SULLIVAN: Okay. Counsel, the 5 liability period is 2002. I understand 6 your position and I'm sure you understand 7 ours, but I just wanted to make that clear.</p> <p>8 Q. And are you related to the global 9 division head David Heller?</p> <p>10 <b>A. No relation.</b></p> <p>11 Q. Okay. So I'd like to talk about 12 division-specific committees for a minute. 13 For how long has there been a 14 Securities Division-specific compensation 15 committee?</p> <p>16 <b>A. The entire period.</b></p> <p>17 Q. Okay. Have the duties and 18 functions of that committee changed materially 19 from the period 2000 to the present?</p> <p>20 MS. SULLIVAN: Objection, vague.</p> <p>21 A. No.</p> <p>22 Q. Can you describe what the 23 Securities Division compensation committee 24 does?</p> <p>25 MS. SULLIVAN: Same objection,</p>	<p>1 MS. SULLIVAN: Objection, vague.</p> <p>2 A. Can you clarify what you mean?</p> <p>3 Q. Yes. So after the round one 4 proposals by the managers are submitted, does 5 the compensation committee meet with the 6 managers to discuss the business environment or 7 is it just a meeting among the members of the 8 committee?</p> <p>9 MS. SULLIVAN: Same objection.</p> <p>10 A. Managers come in to present to the 11 comp. committee.</p> <p>12 Q. Okay. And do these discussions 13 inform round two recommendations?</p> <p>14 <b>A. Sometimes.</b></p> <p>15 Q. Okay. For what other purpose, if 16 any, are the discussions about the business 17 environment?</p> <p>18 <b>A. To understand the thought process 19 and method by which the managers made their 20 recommendations.</b></p> <p>21 Q. And is this for the intention of 22 approving or disapproving the recommendations?</p> <p>23 MS. SULLIVAN: Objection, vague.</p> <p>24 A. No, it's for the intention of 25 discussing and asking for consensus-building</p>

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<p>1 around decision making.</p> <p>2 Q. And does the compensation committee</p> <p>3 have to sign off on individual compensation</p> <p>4 recommendations?</p> <p>5 MS. SULLIVAN: Same objection,</p> <p>6 vague.</p> <p>7 A. Compensation decisions are made by</p> <p>8 the managers. The compensation committee will</p> <p>9 discuss a handful of folks, but they don't</p> <p>10 discuss large numbers of individuals and so</p> <p>11 there's no sign-off process. It's a dialogue</p> <p>12 between the managers and the compensation</p> <p>13 committee.</p> <p>14 Q. But if there's a disagreement</p> <p>15 between managers and the comp. committee, who</p> <p>16 has final say over an individual's</p> <p>17 compensation?</p> <p>18 MS. SULLIVAN: Objection, vague.</p> <p>19 A. Disagreements are not -- it's</p> <p>20 typically a consensus-driven conversation where</p> <p>21 folks talk about what the best outcome for the</p> <p>22 business is.</p> <p>23 Q. In connection with individual</p> <p>24 recommendations?</p> <p>25 A. <b>Or overall budgets given to the</b></p>	<p>1 <b>A. The firm at the -- the firm may</b></p> <p>2 <b>give additional budget or take budget away from</b></p> <p>3 <b>the Securities Division based on aggregate</b></p> <p>4 <b>compensation numbers.</b></p> <p>5 Q. Between the period of 2000 and the</p> <p>6 present, is there any other reason other than</p> <p>7 the firm-wide decision to add or remove from</p> <p>8 the budget that round two recommendations are</p> <p>9 different from round one recommendations?</p> <p>10 <b>A. If a manager sees individual</b></p> <p>11 <b>performance has changed, so there may be</b></p> <p>12 <b>employees who make or lose money during that</b></p> <p>13 <b>window or whose performance has gotten better</b></p> <p>14 <b>or worse.</b></p> <p>15 Q. And what is the process for a</p> <p>16 manager to change a proposal based on</p> <p>17 individual performance in between the two</p> <p>18 rounds?</p> <p>19 <b>A. So, when we open round two, we'll</b></p> <p>20 <b>tell managers that they have a window of time</b></p> <p>21 <b>to make a change, and the change has to be</b></p> <p>22 <b>within their budget.</b></p> <p>23 Q. So adding to one means taking away</p> <p>24 from someone else and vice versa?</p> <p>25 MS. SULLIVAN: Objection.</p>
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<p>1 <b>business.</b></p> <p>2 Q. Ultimately does the committee sign</p> <p>3 off on all the finalized PATC of each</p> <p>4 individual in the division?</p> <p>5 MS. SULLIVAN: Objection, vague.</p> <p>6 A. There's thousands of employees so</p> <p>7 there's no sign off on individual compensation</p> <p>8 by the committee.</p> <p>9 Q. Is there sort of a sign off on the</p> <p>10 finalized proposal?</p> <p>11 <b>A. Sign off is not the word I would</b></p> <p>12 <b>use. There was an agreement that we were going</b></p> <p>13 <b>to submit these as the round one</b></p> <p>14 <b>recommendations for the people of the</b></p> <p>15 <b>Securities Division, but there's not a review</b></p> <p>16 <b>of each individual person's compensation.</b></p> <p>17 Q. To whom are the round one</p> <p>18 recommendations submitted?</p> <p>19 <b>A. They're submitted in the system to</b></p> <p>20 <b>the firm-wide comp. team, but that's an</b></p> <p>21 <b>administrative process.</b></p> <p>22 Q. is there always a round two?</p> <p>23 <b>A. There's typically a round two, yes.</b></p> <p>24 Q. Okay. And then what happens in</p> <p>25 round two?</p>	<p>1 Q. Unless there's more aggregate money</p> <p>2 given; is that right?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. So what documents reflect the</p> <p>5 changes that are performance-based in between</p> <p>6 the first and second rounds?</p> <p>7 MS. SULLIVAN: Objection, vague.</p> <p>8 A. All of that information is in CRS.</p> <p>9 Q. And when there's money given by the</p> <p>10 firm or money taken a way, is it typically --</p> <p>11 but for the specific people whose performance</p> <p>12 has changed between the round periods, is it</p> <p>13 expected that there are pro rata increases or</p> <p>14 reductions?</p> <p>15 MS. SULLIVAN: Objection, vague.</p> <p>16 Q. Do you understand my question?</p> <p>17 <b>A. No.</b></p> <p>18 Q. Let's just say that everyone was</p> <p>19 going to be paid \$100 and the firm announces</p> <p>20 that twice as much money is available. Would</p> <p>21 it be the case then that everybody gets \$200 or</p> <p>22 some people would get \$300 and some people</p> <p>23 would stay at 100?</p> <p>24 MS. SULLIVAN: Objection, vague and</p> <p>25 it's an incomplete hypothetical.</p>

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<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
Page 31	Page 33
<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>1 that describe how managers are supposed to make</p> <p>2 compensation decisions between the round one</p> <p>3 and round two?</p> <p>4 MS. SULLIVAN: Objection, vague.</p> <p>5 A. Managers should make compensation</p> <p>6 decisions based on individual performance and</p> <p>7 the performance of the business unit consistent</p> <p>8 across rounds. There's not a difference</p> <p>9 between round two and round one.</p> <p>10 Q. So the governing policies and</p> <p>11 documents would be the general compensation and</p> <p>12 performance review documents?</p> <p>13 MS. SULLIVAN: Objection. You're</p> <p>14 mischaracterizing her testimony.</p> <p>15 A. Managers make decisions based on</p> <p>16 individual performance, firm performance at all</p> <p>17 points in the compensation process.</p> <p>18 Q. So there's no difference in the</p> <p>19 policies between round one and round two?</p> <p>20 MS. SULLIVAN: Objection, again</p> <p>21 misstating her testimony.</p> <p>22 A. Managers don't use different kinds</p> <p>23 of information to make their assessments in</p> <p>24 round two than they did in round one.</p> <p>25 Q. And can compensation proposals be</p>



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<p>1 submitted to the firm without consensus by the</p> <p>2 compensation committee and the managers?</p> <p>3 MS. SULLIVAN: Objection, vague.</p> <p>4 A. Can you clarify what you mean?</p> <p>5 Q. Yeah, you said before that once</p> <p>6 there's consensus between the managers and the</p> <p>7 compensation committee, that the proposals are</p> <p>8 submitted to the firm; correct?</p> <p>9 MS. SULLIVAN: Objection,</p> <p>10 mischaracterizing her testimony.</p> <p>11 A. The compensation committee meets</p> <p>12 and then the information is submitted through</p> <p>13 the CRS system to the firm.</p> <p>14 Q. All right. Can the information be</p> <p>15 submitted to the CRS system without the</p> <p>16 compensation committee first meeting?</p> <p>17 A. <b>It is actually in the CRS system</b></p> <p>18 <b>before they meet, but then any edits that</b></p> <p>19 <b>happen before the official firm deadline are</b></p> <p>20 <b>also submitted to the system.</b></p> <p>21 Q. No, I'm asking a different question</p> <p>22 which is you said earlier that the compensation</p> <p>23 committee meets. You described a consensus</p> <p>24 process and then you described how the</p> <p>25 information is then sent on to the firm.</p>	<p>1 Q. Sure. Is there any reason that</p> <p>2 would prompt the compensation committee to look</p> <p>3 at a particular compensation recommendation in</p> <p>4 round one?</p> <p>5 MS. SULLIVAN: Same objection.</p> <p>6 A. We would look at individuals based</p> <p>7 on quartile or based on production information</p> <p>8 to determine that the compensation</p> <p>9 recommendations looked appropriate.</p> <p>10 Q. And what guidelines or policies</p> <p>11 exist to determine what's appropriate?</p> <p>12 MS. SULLIVAN: Objection, vague.</p> <p>13 A. The -- can you explain what you</p> <p>14 mean?</p> <p>15 Q. Yeah, you just said that you'd look</p> <p>16 at the quartiling and the performance</p> <p>17 information to make sure that compensation was</p> <p>18 appropriate. And what guidelines define what's</p> <p>19 appropriate, if any?</p> <p>20 A. <b>The committees, similar to what the</b></p> <p>21 <b>managers would also do in their individual</b></p> <p>22 <b>business units, would look for any potential,</b></p> <p>23 <b>to use your word, outliers. So anyone with a</b></p> <p>24 <b>lower quartile and an increase in PATC or</b></p> <p>25 <b>people with lower or negative production, so</b></p>
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<p>1 Do you remember that testimony?</p> <p>2 A. <b>Yes.</b></p> <p>3 Q. Okay. Does the compensation</p> <p>4 committee have to meet before that material is</p> <p>5 sent to the firm?</p> <p>6 A. <b>Yes, they meet before it's sent to</b></p> <p>7 <b>the firm.</b></p> <p>8 Q. And is that consensus process that</p> <p>9 you described required before the information</p> <p>10 is sent on?</p> <p>11 A. <b>The consensus process happens</b></p> <p>12 <b>before it's sent on, yes.</b></p> <p>13 Q. Okay. So it's not the case where</p> <p>14 the managers can just send it on without the</p> <p>15 first meeting of the compensation committee?</p> <p>16 MS. SULLIVAN: Objection, vague.</p> <p>17 A. The compensation committee and the</p> <p>18 managers have a consensus meeting at the</p> <p>19 committee and then it's submitted.</p> <p>20 Q. Are there any kick out flags or red</p> <p>21 flags that would cause the compensation</p> <p>22 committee at round one to look at an</p> <p>23 individual's compensation recommendation?</p> <p>24 MS. SULLIVAN: Objection, vague.</p> <p>25 A. Can you explain what you mean?</p>	<p>1 <b>things that looked --</b></p> <p>2 Q. Are the outliers listed? Do you</p> <p>3 know what I mean? Is there a document that</p> <p>4 says, here are the following reasons why we</p> <p>5 would take a harder look at a particular</p> <p>6 recommendation?</p> <p>7 A. <b>At the compensation committee</b></p> <p>8 <b>meeting, there will be some we call them</b></p> <p>9 <b>potentially screens for individuals like that.</b></p> <p>10 Q. Who creates the screens?</p> <p>11 A. <b>The business would -- the business</b></p> <p>12 <b>leadership would help us identify what screens</b></p> <p>13 <b>they were interested in and we -- the</b></p> <p>14 <b>Securities HCM would help them run the reports</b></p> <p>15 <b>and make them available.</b></p> <p>16 Q. What are those reports called?</p> <p>17 A. <b>There's not necessarily a formal</b></p> <p>18 <b>name, but there are comp. reports available at</b></p> <p>19 <b>the comp. committee.</b></p> <p>20 MS. GEMAN: Have those been</p> <p>21 produced?</p> <p>22 MS. SULLIVAN: They've been</p> <p>23 produced with the sample comp. books that</p> <p>24 we provided.</p> <p>25 MS. GEMAN: Those were the hard</p>

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<p>1 copy binders?</p> <p>2 MS. SULLIVAN: Yes, they were hard</p> <p>3 copy binders.</p> <p>4 Q. So if something is an outlier,</p> <p>5 what's the process for determining whether that</p> <p>6 outlier is appropriate?</p> <p>7 MS. SULLIVAN: Objection, vague.</p> <p>8 Q. You've described the process by</p> <p>9 which outliers are identified and I'm now</p> <p>10 asking about the process by which outliers are</p> <p>11 investigated.</p> <p>12 <b>A. So, a conversation would happen</b></p> <p>13 <b>between the managers and the comp. committee</b></p> <p>14 <b>about how the decision was made.</b></p> <p>15 Q. Okay.</p> <p>16 <b>A. And a consensus would be reached if</b></p> <p>17 <b>it -- you know, as to what the appropriate</b></p> <p>18 <b>number was.</b></p> <p>19 Q. Are there any documents that</p> <p>20 reflect that discussion process?</p> <p>21 MS. SULLIVAN: Objection, vague.</p> <p>22 A. All of the changes are recorded in</p> <p>23 CRS.</p> <p>24 Q. But are there any -- to my</p> <p>25 understanding, CRS reflects the actual numbers.</p>	<p>1 are a function of the 360 review as distinct</p> <p>2 from the manager quartile?</p> <p>3 MS. SULLIVAN: Objection, vague.</p> <p>4 A. The scores are present so the score</p> <p>5 information and the quartile information is</p> <p>6 present and there are screens run about</p> <p>7 quartile information.</p> <p>8 Q. Right. My question was different.</p> <p>9 Are the screens run about 360 review?</p> <p>10 MS. SULLIVAN: Objection, asked and</p> <p>11 answered.</p> <p>12 A. It's all available and you would</p> <p>13 see juxtaposing scores so the opportunity to</p> <p>14 ask the question is there.</p> <p>15 Q. No, I'm asking a different</p> <p>16 question. Is there a specific screen for</p> <p>17 outliers based on anything about the 360 review</p> <p>18 as distinct from the manager quartile?</p> <p>19 <b>A. The 360 review is one of the key</b></p> <p>20 <b>factors in determining the manager quartiles.</b></p> <p>21 <b>So, the dichotomy may not be important, but a</b></p> <p>22 <b>large portion of what drives the manager</b></p> <p>23 <b>quartile is the 360 review.</b></p> <p>24 Q. I'm asking a different question.</p> <p>25 Is there a screen that flags a</p>
Page 39	Page 41
<p>1 I'm asking if there's any documents that</p> <p>2 reflects the discussion that contextualizes</p> <p>3 that despite an outlier, the number might stay</p> <p>4 the same or change?</p> <p>5 <b>A. There's not a document of the</b></p> <p>6 <b>discussion, but there are -- the metrics that</b></p> <p>7 <b>would have played into the discussion are</b></p> <p>8 <b>available. So, production information, risk</b></p> <p>9 <b>information, all the business metrics that</b></p> <p>10 <b>would play into that discussion or individual</b></p> <p>11 <b>performance metrics, that would play into that</b></p> <p>12 <b>discussion are available.</b></p> <p>13 Q. That raises a good question. You</p> <p>14 said that the comp. committee has quartiling</p> <p>15 information at the -- at its disposal and</p> <p>16 production information. By "quartile," do you</p> <p>17 mean the manager quartiling?</p> <p>18 <b>A. They do have quartile information</b></p> <p>19 <b>at their disposal.</b></p> <p>20 Q. Okay. And has manager quartiling</p> <p>21 been happening in the Securities Division since</p> <p>22 2000, to your knowledge?</p> <p>23 <b>A. Since 2002, I feel very comfortable</b></p> <p>24 <b>saying yes.</b></p> <p>25 Q. Okay. Are there any screens that</p>	<p>1 potential outlier that uses as an input the 360</p> <p>2 review?</p> <p>3 MS. SULLIVAN: Objection.</p> <p>4 Q. That's a different question from</p> <p>5 what ultimately goes into the manager quartile.</p> <p>6 MS. SULLIVAN: She's answered the</p> <p>7 question.</p> <p>8 A. The HCM team for securities does</p> <p>9 not produce a report between those two things,</p> <p>10 but those two items are available in the</p> <p>11 reports that are visible to the compensation</p> <p>12 committee and the managers so all of that</p> <p>13 information is available.</p> <p>14 Q. Again a different question.</p> <p>15 At any point between 2000 and the</p> <p>16 present, has the 360 review score been one of</p> <p>17 the screens that would highlight an outlier?</p> <p>18 MS. SULLIVAN: Same objection.</p> <p>19 Q. To your knowledge.</p> <p>20 MS. SULLIVAN: Asked and answered.</p> <p>21 A. The 360 review is present on the</p> <p>22 information that the comp. committee and the</p> <p>23 managers are able to review so it can be used</p> <p>24 as a discussion point and a factor.</p> <p>25 Q. Different question. I'm asking</p>

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<p>1 specifically about the yearly screens that</p> <p>2 isolate outliers. You said earlier that you</p> <p>3 gave examples of outliers could exist if</p> <p>4 there's discrepancy between comp. and the</p> <p>5 quartile or comp. and production information.</p> <p>6 I'm asking has there ever been a</p> <p>7 screen indicating an outlier if there's a</p> <p>8 discrepancy between comp. and the 360 review?</p> <p>9 MS. SULLIVAN: Objection, asked and</p> <p>10 answered. We're going through the same</p> <p>11 thing over and over again.</p> <p>12 MS. GEMAN: I need to get an answer</p> <p>13 to my questions.</p> <p>14 A. So, it's used in a screen and that</p> <p>15 they're available on the individuals who are in</p> <p>16 the comp. book and managers are able to</p> <p>17 review -- managers and the compensation</p> <p>18 committee are able to review both the 360</p> <p>19 information side by side with the quartile</p> <p>20 information.</p> <p>21 Q. Again, I'm asking about the</p> <p>22 isolation of outliers. Has the 360 review</p> <p>23 score ever been on the screen for the isolation</p> <p>24 of outliers as distinct from overall</p> <p>25 information being available in the meetings?</p>	<p>1 the comp. reports?</p> <p>2 MS. SULLIVAN: Objection, vague.</p> <p>3 Q. You know what I mean, to isolate</p> <p>4 outliers.</p> <p>5 <b>A. Every page in the comp. reports</b></p> <p>6 <b>with individuals listed has their 360 scores so</b></p> <p>7 <b>they're on all the comp. reports.</b></p> <p>8 Q. Different question. Let me try to</p> <p>9 ask it again.</p> <p>10 MS. GEMAN: I don't think these</p> <p>11 screens have been produced. Carson, you</p> <p>12 can tell me if they are because then</p> <p>13 obviously I can just show the witness the</p> <p>14 document.</p> <p>15 Q. But I'm interested in the specific</p> <p>16 circumstances that prompt a flag as a potential</p> <p>17 outlier and you gave a couple of examples</p> <p>18 earlier; for example, if the quartile</p> <p>19 information differs in a certain respect from</p> <p>20 the proposed compensation. You gave another</p> <p>21 example of production differing from proposed</p> <p>22 compensation.</p> <p>23 I'm asking if there's any other</p> <p>24 examples in the period from 2002 to the present</p> <p>25 of a discrepancy that would explicitly flag an</p>
Page 43	Page 45
<p>1 MS. SULLIVAN: Again, asked and</p> <p>2 answered. And I just have to object to the</p> <p>3 vagueness of the screen and the screen --</p> <p>4 whatever you're -- you just said "on the</p> <p>5 screen." So I'm not clear as to what your</p> <p>6 definition of "screen" is.</p> <p>7 MS. GEMAN: Folks, this isn't that</p> <p>8 complicated.</p> <p>9 Q. You said there are screens every</p> <p>10 year that explicitly list situations that</p> <p>11 isolate outliers.</p> <p>12 <b>A. So, I said that the business will</b></p> <p>13 <b>ask for certain information that they're</b></p> <p>14 <b>interested in --</b></p> <p>15 Q. Yes.</p> <p>16 <b>A. -- related to some comp. reports.</b></p> <p>17 <b>In addition to those comp. reports, there are</b></p> <p>18 <b>also factors and data that's available on every</b></p> <p>19 <b>single person. All of it acts as screens or</b></p> <p>20 <b>information or factors or metrics that are used</b></p> <p>21 <b>in determining if folks are paid appropriately</b></p> <p>22 <b>and if the proper factors have been taken into</b></p> <p>23 <b>account. So 360 is available.</b></p> <p>24 Q. Let's ask about the comp. reports.</p> <p>25 At any point have the 360 reviews been part of</p>	<p>1 outlier.</p> <p>2 MS. SULLIVAN: And for the record,</p> <p>3 counsel, I just want to object that it's</p> <p>4 asked and answered, but also your use of</p> <p>5 the word "screen" is vague in that you're</p> <p>6 assuming that there's some sort of document</p> <p>7 that is a screen.</p> <p>8 MS. GEMAN: Well, the witness has</p> <p>9 testified there's specific -- a list of</p> <p>10 things that --</p> <p>11 MS. SULLIVAN: That's</p> <p>12 mischaracterizing her testimony.</p> <p>13 Q. You can answer.</p> <p>14 <b>A. So, I have not personally been</b></p> <p>15 <b>involved in producing a report that compares</b></p> <p>16 <b>360 scores to quartiles. However, where I</b></p> <p>17 <b>disagree with the characterization of what I'm</b></p> <p>18 <b>saying is that on each of the reports that are</b></p> <p>19 <b>available where we review compensation</b></p> <p>20 <b>information, those items are present and</b></p> <p>21 <b>they're available for discussion and managers</b></p> <p>22 <b>would look at 360 and quartile next to each</b></p> <p>23 <b>other in having a discussion.</b></p> <p>24 Q. Have you personally produced a</p> <p>25 report or know of a report that explicitly</p>

Page 46	Page 48
<p>1 compares 360 to comp.?</p> <p>2 MS. SULLIVAN: Objection, vague.</p> <p>3 Are you talking about for what process?</p> <p>4 For --</p> <p>5 Q. The same one. You said before you</p> <p>6 hadn't seen one that explicitly compared 360 to</p> <p>7 quartile. So I'm just asking the same</p> <p>8 question.</p> <p>9 <b>A. To clarify that statement, the</b></p> <p>10 <b>pages we looked at have 360 and quartile. So</b></p> <p>11 <b>by virtue of the fact that the pages that we</b></p> <p>12 <b>look at have 360 and quartile, they're</b></p> <p>13 <b>compared. But I have not run a screen</b></p> <p>14 <b>personally, screen to use your word, of looking</b></p> <p>15 <b>at outliers of quartile versus 360. I</b></p> <p>16 <b>personally have not run those.</b></p> <p>17 Q. Do you have any knowledge that</p> <p>18 anyone else has run those?</p> <p>19 MS. SULLIVAN: Objection, vague.</p> <p>20 Again, Counsel, just for the record you're</p> <p>21 discussing this during this process, the</p> <p>22 compensation meetings?</p> <p>23 MS. GEMAN: Is that a question?</p> <p>24 MS. SULLIVAN: Yes.</p> <p>25 MS. GEMAN: Yes.</p>	<p>1 them in comparison to each other based on them</p> <p>2 both being on the page.</p> <p>3 + MS. GEMAN: Move to strike as not</p> <p>4 being responsive.</p> <p>5 Counsel, we'd ask for production of</p> <p>6 comp. reports if we don't already have all</p> <p>7 of them and also for the documents that</p> <p>8 reflect the indicators for outliers of the</p> <p>9 Securities Division compensation committee</p> <p>10 meetings each year.</p> <p>11 Q. You may have said this before</p> <p>12 Ms. Heller, but who creates -- who on the</p> <p>13 business side creates what the potential</p> <p>14 outliers are?</p> <p>15 MS. SULLIVAN: Objection.</p> <p>16 Q. I know you may have answered this</p> <p>17 before, but if you could tell me again.</p> <p>18 MS. SULLIVAN: Objection, vague.</p> <p>19 Q. You know, who decides on what comp.</p> <p>20 reports should be run and what materials are in</p> <p>21 them?</p> <p>22 <b>A. That would be a discussion we'd</b></p> <p>23 <b>have with the chief operating officer, chief</b></p> <p>24 <b>financial officer of the Securities Division.</b></p> <p>25 Q. Are any comp. reports run typically</p>
Page 47	Page 49
<p>1 MS. SULLIVAN: You need to clarify</p> <p>2 the question.</p> <p>3 MS. GEMAN: We've been talking</p> <p>4 about the duties and functions of the comp.</p> <p>5 committee.</p> <p>6 MS. SULLIVAN: I understand, but</p> <p>7 you have to be specific.</p> <p>8 Q. And have you personally been</p> <p>9 involved in producing a report that compares</p> <p>10 360 scores to compensation?</p> <p>11 MS. SULLIVAN: Same objection,</p> <p>12 vague as to time frame.</p> <p>13 A. The 360 scores and the quartile</p> <p>14 scores are on the reports that I've been</p> <p>15 involved in producing, yes.</p> <p>16 Q. Have you been involved in producing</p> <p>17 a report that compares 360 to compensation</p> <p>18 whether or not 360 is also on a report that</p> <p>19 compares to other things?</p> <p>20 MS. SULLIVAN: Same objection as to</p> <p>21 time frame, scope.</p> <p>22 A. By virtue of 360 and quartile, both</p> <p>23 being on the page, and the reason I keep</p> <p>24 reiterating this is because they come up as</p> <p>25 discussions and there are discussions about</p>	<p>1 after round two? We've been discussing about</p> <p>2 round one.</p> <p>3 <b>A. Yes, we would produce some comp.</b></p> <p>4 <b>reports for round two.</b></p> <p>5 Q. Okay. What types of comp. reports</p> <p>6 are produced for round two?</p> <p>7 <b>A. Similar to what was produced for</b></p> <p>8 <b>round one and if there were any -- yeah,</b></p> <p>9 <b>similar to what was produced for round one.</b></p> <p>10 Q. Okay. And to your knowledge does</p> <p>11 the comp. committee look at diversity</p> <p>12 information in the rounds process?</p> <p>13 MS. SULLIVAN: Objection, vague.</p> <p>14 A. Can you clarify what you mean by</p> <p>15 "diversity"?</p> <p>16 Q. Sure, sure. Does the committee</p> <p>17 look at whether there is -- you know, for</p> <p>18 example more women than men are negatively</p> <p>19 impacted by the rounds process, for example?</p> <p>20 MS. SULLIVAN: Objection, vague.</p> <p>21 A. Can you clarify specifically what</p> <p>22 you mean?</p> <p>23 Q. Sure. Does the committee look</p> <p>24 generally at whether the comp. process is fair</p> <p>25 to women?</p>

**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
(PAGES 50-53)**

**FILED UNDER SEAL**



Page 54	Page 56
<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 you just asked?</p> <p>2 Q. Sure. Does anybody, to your</p> <p>3 knowledge, monitor the compensation decisions</p> <p>4 in the Securities Division to gauge whether</p> <p>5 women have been treated fairly in the process?</p> <p>6 MS. SULLIVAN: Same objection.</p> <p>7 It's vague. It's been asked and answered.</p> <p>8 A. So, with regard to that specific</p> <p>9 question, I believe we're talking about a</p> <p>10 privileged process.</p> <p>11 Q. If you can answer yes or no, go</p> <p>12 ahead.</p> <p>13 MS. SULLIVAN: You can answer yes</p> <p>14 or no, but if there's anything else that's</p> <p>15 regarding a privileged process, we're going</p> <p>16 to cut it off right there.</p> <p>17 A. So, I believe the Employment Law</p> <p>18 Group is involved in that process.</p> <p>19 Q. Have you had any involvement</p> <p>20 personally in that process?</p> <p>21 MS. SULLIVAN: I'm going to</p> <p>22 instruct the witness not to answer about</p> <p>23 your involvement with the Employment Law</p> <p>24 Group.</p> <p>25 Q. You can answer yes or no.</p>
Page 55	Page 57
<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 MS. SULLIVAN: You can answer yes</p> <p>2 or no and that's it.</p> <p>3 A. Yes.</p> <p>4 MS. SULLIVAN: Counsel we've been</p> <p>5 going for about an hour, so we'd like to</p> <p>6 take a break.</p> <p>7 MS. GEMAN: Sure.</p> <p>8 (Recess taken.)</p> <p>9 Q. So, to back up a little bit, who in</p> <p>10 addition to the -- who presently is on the</p> <p>11 comp. committee by position?</p> <p>12 A. They're the individuals who run the</p> <p>13 various business units.</p> <p>14 Q. As well as certain HCM personnel?</p> <p>15 MS. SULLIVAN: Objection,</p> <p>16 mischaracterizing her testimony.</p> <p>17 A. The individuals who run the</p> <p>18 business units sit on the comp. committee. The</p> <p>19 division heads also sit on the comp. committee.</p> <p>20 The COO sits on the comp. committee and the</p> <p>21 CFO. Linda Fox, or whoever the head of HR is,</p> <p>22 was present and other members of HCM might be</p> <p>23 in the room for -- as well as the finance team</p> <p>24 to help, you know, answer questions.</p> <p>25 Q. But they're not members?</p>

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1	<b>A. No.</b>	1	REDACTED FILED UNDER SEAL
2	<b>Q.</b> Okay. Has the composition of who's	2	
3	on the comp. committee by position as distinct	3	
4	from the individual names changed in the period	4	
5	2000 to the present?	5	
6	<b>A. Can you clarify by position as</b>	6	
7	<b>distinct from --</b>	7	
8	<b>Q.</b> Obviously I'm sure there's been	8	
9	some turnover in actual people, but I'm asking	9	
10	has it been the case since 2000 that the comp.	10	
11	committee for Securities consists of the heads	11	
12	of business units, the division heads, the COO,	12	
13	the CFO and the head of HCM for the Securities	13	
14	Division?	14	
15	<b>A. So --</b>	15	
16	MS. SULLIVAN: Objection,	16	
17	mischaracterizing the testimony.	17	
18	<b>A.</b> There was a period of time that	18	
19	was -- there was a FICC committee and an	19	
20	equities committee and actually even after the	20	
21	divisions came together, there has been periods	21	
22	of time when there was a FICC committee and an	22	
23	equities committee, not a combined Securities	23	
24	comp. committee but the individuals running the	24	
25	business units would be the people on the	25	
Page 59		Page 61	
1	REDACTED FILED UNDER SEAL	1	REDACTED FILED UNDER SEAL
2		2	
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**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
(PAGES 62-77)**

**FILED UNDER SEAL**



Page 78	Page 80
<p>1 MS. SULLIVAN: Objection, vague.</p> <p>2 A. So, for traders, production would</p> <p>3 refer to their P&amp;L and for salespeople it would</p> <p>4 refer to sales credits.</p> <p>5 Q. What about for strategists or</p> <p>6 researchers?</p> <p>7 A. <b>Some of those groups don't have any</b></p> <p>8 <b>production associated with their names.</b></p> <p>9 Q. And would you say about what --</p> <p>10 about what percent of the Securities Division</p> <p>11 employees at the associate and VP level are</p> <p>12 sales or traders?</p> <p>13 A. <b>Can you clarify what you mean?</b></p> <p>14 Q. Sure. Of the associate level and</p> <p>15 vice president level employees in the</p> <p>16 Securities Division, about what percent are in</p> <p>17 sales or trading positions as distinct from</p> <p>18 strategy or research positions?</p> <p>19 MS. SULLIVAN: I'm going to object</p> <p>20 as vague and compound.</p> <p>21 A. I'm going to ballpark it, 70</p> <p>22 percent.</p> <p>23 Q. And of the remaining approximately</p> <p>24 30 percent, would you say, how are they</p> <p>25 divided?</p>	<p>1 <b>they've gotten from clients or different</b></p> <p>2 <b>business metrics like those. We didn't cover</b></p> <p>3 <b>investing which would be another bucket. So if</b></p> <p>4 <b>you want to slice a small percentage off the 70</b></p> <p>5 <b>and put those into investing roles, and those</b></p> <p>6 <b>people would also have P&amp;L information.</b></p> <p>7 Q. That's revenue-producing</p> <p>8 information?</p> <p>9 A. <b>Yes.</b></p> <p>10 Q. Okay. We'll come back to that. Is</p> <p>11 the executive committee, the</p> <p>12 executive/compensation committee, the committee</p> <p>13 that handles promotions from the vice president</p> <p>14 at the MD level?</p> <p>15 MS. SULLIVAN: Objection, vague.</p> <p>16 A. The promotions from vice president</p> <p>17 to MD are not, I guess, handled by a committee.</p> <p>18 Q. Okay.</p> <p>19 A. <b>The -- there's a process.</b></p> <p>20 Q. Is there any promotions committee?</p> <p>21 A. <b>There's a cross-ruffing team.</b></p> <p>22 Q. And does the executive committee</p> <p>23 address or have responsibility for the</p> <p>24 performance, the FRS system or the performance</p> <p>25 evaluation?</p>
Page 79	Page 81
<p>1 A. <b>Maybe 20 percent in -- or 15</b></p> <p>2 <b>percent in strats and 5 percent in prime</b></p> <p>3 <b>brokerage kind of roles, 5 percent in</b></p> <p>4 <b>management or administration.</b></p> <p>5 Q. And for those in prime brokerage</p> <p>6 roles, what's the key performance metric, if</p> <p>7 any?</p> <p>8 A. <b>So some of the -- this is where it</b></p> <p>9 <b>gets complicated. Some of the prime brokerage</b></p> <p>10 <b>folks are salespeople, so they would have sales</b></p> <p>11 <b>credits. Some of them are securities lending</b></p> <p>12 <b>traders so they would have trading and then a</b></p> <p>13 <b>smaller subset would fall into groups such as</b></p> <p>14 <b>capital introductions or other things where</b></p> <p>15 <b>they wouldn't have a specific P&amp;L metrics.</b></p> <p>16 Q. Would they have any performance</p> <p>17 metrics?</p> <p>18 A. <b>Everybody has the 360 review and</b></p> <p>19 <b>the manager quartile and then there would be</b></p> <p>20 <b>metrics that a business could decide to look</b></p> <p>21 <b>at. So in terms of -- you know, as an example,</b></p> <p>22 <b>capital introductions is a business where you</b></p> <p>23 <b>introduce investors to hedge funds looking to</b></p> <p>24 <b>raise money. So they would evaluate the</b></p> <p>25 <b>quality of their relationships or the feedback</b></p>	<p>1 MS. SULLIVAN: Objection, vague.</p> <p>2 A. HCM facilitates the process of FRS.</p> <p>3 I'm not sure -- can you clarify what you mean</p> <p>4 if they have responsibility for the system?</p> <p>5 Q. Well, I can ask the question a</p> <p>6 different way. Are there any Securities</p> <p>7 Division-specific policies relating to the</p> <p>8 firm-wide review system?</p> <p>9 MS. SULLIVAN: Objection, vague.</p> <p>10 A. So there are nuances, small nuances</p> <p>11 in the FRS system that can vary by division and</p> <p>12 I don't think we'd get those approved at the</p> <p>13 executive committee level. We might discuss</p> <p>14 them with the COO or other business heads to</p> <p>15 get a feeling, but there's not a formal process</p> <p>16 for the executive committee or compensation</p> <p>17 committee to get involved in the system details</p> <p>18 of FRS.</p> <p>19 Q. And even beyond, literally, the</p> <p>20 system like who inputs what and what the</p> <p>21 screens look like or what have you, is the</p> <p>22 executive committee in the Securities Division</p> <p>23 involved in setting policy for performance</p> <p>24 reviews?</p> <p>25 MS. SULLIVAN: Objection, vague.</p>

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**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
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1 person's forward or ability to do other things.

2 Q. And has the company conducted any

3 more formalized or systematic studies about the

4 extent to which managers' predictions about

5 potential are borne out?

6 MS. SULLIVAN: Objection, vague.

7 A. So, the success of a manager,

8 right, or an individual unit kind of speaks for

9 itself. If a manager does a good job in

10 identifying high-potential talent, how good a

11 job they're doing as a manager, how good those

12 individuals are doing that they identified as

13 high potential would all demonstrate that a

14 business or a manager or set of managers are

15 doing a good job --

16 Q. I guess --

17 A. -- **assessing the right things.**

18 Q. Other than things that you

19 considered to speak for themselves, have there

20 been any specific studies, to your knowledge,

21 that Goldman Sachs either firm-wide or at the

22 division level has conducted to look at

23 manager's use of potential as a metric in

24 quartiling?

25 MS. SULLIVAN: Objection, vague and

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<p>1 asked and answered.</p> <p>2 A. Again, I think it -- -- I do think</p> <p>3 it sort of speaks for itself that the manager's</p> <p>4 ability to be a good manager, to identify and</p> <p>5 develop talent and to build businesses does</p> <p>6 speak for itself when those businesses or those</p> <p>7 individuals are successful, and not always</p> <p>8 specific analysis, but I think it bears itself</p> <p>9 out in the performances of those businesses or</p> <p>10 those individuals.</p> <p>11 Q. At any point between 2000 and the</p> <p>12 present, have there been requirements in the</p> <p>13 Securities Division that limit the extent to</p> <p>14 which a quartile rank can deviate from the 360</p> <p>15 review?</p> <p>16 MS. SULLIVAN: Objection, vague.</p> <p>17 A. So, per our previous conversation,</p> <p>18 there are -- that information is all present</p> <p>19 when people are making quartiling or pay</p> <p>20 decisions, so they would beg a question. It</p> <p>21 would be a factor, people would consider it.</p> <p>22 Q. But have there been any kind of</p> <p>23 formal requirements about the degree to which a</p> <p>24 quartile rank can differ from the performance</p> <p>25 reviews?</p>	<p>1 and revisit it. If an overall business unit</p> <p>2 wasn't as disciplined in thinking about its</p> <p>3 buckets, it may go back and suggest -- you</p> <p>4 know, the leader may go back and suggest that</p> <p>5 they revisit in certain pockets because they</p> <p>6 weren't as disciplined as in other pockets.</p> <p>7 Q. By that you mean they didn't</p> <p>8 properly bucket so you might have 26 percent in</p> <p>9 one?</p> <p>10 A. <b>Exactly.</b></p> <p>11 Q. And so just so I understand though,</p> <p>12 what documents, if any, reflect changes in the</p> <p>13 quartile rank from before the quartiling</p> <p>14 meeting and after it?</p> <p>15 MS. SULLIVAN: Objection, vague.</p> <p>16 A. The quartiling document we provide</p> <p>17 doesn't have quartiles. It's just a list of</p> <p>18 people have to quartile and what they give back</p> <p>19 to us would have the quartiles.</p> <p>20 Q. And so then those quartiles would</p> <p>21 be input?</p> <p>22 A. <b>Into CRS.</b></p> <p>23 Q. And if those quartiles are changed</p> <p>24 the CRS reflects that?</p> <p>25 A. <b>Exactly.</b></p>
Page 107	Page 109
<p>1 MS. SULLIVAN: Objection, vague.</p> <p>2 A. I'm not aware of any specific</p> <p>3 guidelines that we put out. I'm aware that</p> <p>4 those things were available and considered</p> <p>5 during the time that quartiles were set or pay</p> <p>6 was set.</p> <p>7 Q. So after the meeting with the</p> <p>8 business unit leaders the quartiles are set; is</p> <p>9 that right? Or, I'm sorry, you said they were</p> <p>10 set going into the meeting?</p> <p>11 A. <b>Which meeting?</b></p> <p>12 Q. The meeting at which the quartile</p> <p>13 decisions are discussed, you know, the meetings</p> <p>14 at which the quartiling files are generated</p> <p>15 for.</p> <p>16 A. <b>Sure. They'll decide on a quartile</b></p> <p>17 <b>there.</b></p> <p>18 Q. Coming out of that meeting?</p> <p>19 A. <b>Yes.</b></p> <p>20 Q. And under what circumstances can</p> <p>21 the quartile rank be changed?</p> <p>22 MS. SULLIVAN: Objection, vague.</p> <p>23 A. So, if a business head disagrees</p> <p>24 with the assessment of somebody's performance,</p> <p>25 he or she can discuss it with the manager again</p>	<p>1 <b>REDACTED FILED UNDER SEAL</b></p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
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1 **A. I honestly don't -- I don't recall**  
 2 **for each individual year. Most often there are**  
 3 **allocations given by business unit. So most**  
 4 **often it would not be bottoms up. I hear this**  
 5 **is pretty unusual, but there may have been**  
 6 **other occasions when it was bottoms up.**  
 7 Q. Was it sort of an experiment to see  
 8 if it worked?  
 9 **A. I think in the case of 2009, given**  
 10 **the very strong performance of the firm and the**  
 11 **robust competitive market environment they**  
 12 **thought there would be a lot of information**  
 13 **value in hearing from managers what they felt**  
 14 **they needed to pay their people.**  
 15 Q. Do you know for years '10, '11 and  
 16 '12 were they bottom up exercises?  
 17 **A. '10, '11 and '12 were all business**  
 18 **allocations dollar amounts given to all**  
 19 **businesses.**  
 20 Q. And I assume 2008 was an allocation  
 21 year?  
 22 **A. Yes.**  
 23 Q. Do you remember about 2007 and  
 24 2006?  
 25 **A. I don't specifically recall '07 and**

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1 **'06.**  
 2 Q. Was there guidance given in this  
 3 year, 2009, about how managers were to factor  
 4 in individual performance in making  
 5 compensation recommendations?  
 6 MS. SULLIVAN: Objection, vague.  
 7 A. The guidance about making and  
 8 factoring in individual performance is  
 9 consistent every single year. It should always  
 10 be factored in and, you know, firm performance,  
 11 business performance, individual performance,  
 12 are always factors.  
 13 Q. Okay. So the reference to "no  
 14 specific guidance is limited to the business  
 15 allocation" --  
 16 **A. Guidance in the context of this**  
 17 **e-mail means allocation. We won't give you a**  
 18 **dollar amount.**  
 19 Q. And other than the fact that in, I  
 20 guess at least one year, there was no business  
 21 amount given, can you think of other changes to  
 22 the round one compensation recommendations  
 23 between 2000 and 2012?  
 24 MS. SULLIVAN: Objection, vague.  
 25 A. What kind of differences?

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1 Q. You know, differences in inputs,  
 2 for example. Differences in how managers were  
 3 to make compensation recommendations.  
 4 **A. So, the firm performance, business**  
 5 **unit performance, individual performance has**  
 6 **always been consistent. Business metric and**  
 7 **individual metric have always been the**  
 8 **important inputs and that's consistent.**  
 9 Q. And before the formalization in  
 10 2011 or so, what documents, if any, in the  
 11 Securities Division set forth the performance  
 12 metrics?  
 13 MS. SULLIVAN: Objection, vague.  
 14 A. Could you clarify what you mean?  
 15 Q. Well, you just used -- business  
 16 metric and individual metric have always been  
 17 important inputs and that's consistent. So can  
 18 you clarify what you mean by "individual  
 19 metric"?  
 20 **A. So, the quartile and the review**  
 21 **data has always been available to the managers**  
 22 **and the business information, production**  
 23 **information, et cetera has always been**  
 24 **available to the managers.**  
 25 Q. So what do you mean by "business

Page 130		Page 132	
1	information has always been available to the	1	REDACTED FILED UNDER SEAL
2	managers"?	2	
3	A. Production information by	3	
4	individual as well as business information	4	
5	about how a business performs, so how a	5	
6	business unit performed over a business cycle,	6	
7	the relevant information you'd use to run a	7	
8	business.	8	
9	Q. And when you say the business unit	9	
10	information was available to the manager, it	10	
11	was made available in what form; CRS, was it in	11	
12	a separate memo, something else?	12	
13	MS. SULLIVAN: Objection, vague and	13	
14	asked and answered.	14	
15	A. Production information for	15	
16	individuals?	16	
17	Q. No, I'm talking about the business	17	
18	aspect.	18	
19	A. So, the business metrics or	19	
20	information I was talking about includes	20	
21	production information like P&L for an	21	
22	individual, that would have been available to	22	
23	the managers that is housed in CRS and also the	23	
24	franchise managers have it in a host of	24	
25	different places.	25	
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**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
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<p>1 Q. And some of them might be factored</p> <p>2 into the performance review?</p> <p>3 A. Can you --</p> <p>4 Q. If a manager wants to understand</p> <p>5 how to quantify difficulty of seat, to use an</p> <p>6 example we talked about before, what material</p> <p>7 explain to him or her how to do that?</p> <p>8 MS. SULLIVAN: Objection, vague.</p> <p>9 Q. If you turn to the next page, I'm</p> <p>10 continuing down the individual metrics.</p> <p>11 A. Yes, sorry.</p> <p>12 Q. That's fine.</p> <p>13 A. <b>So under the "Other Considerations"</b></p> <p>14 <b>bucket, there's a comment on difficulty of</b></p> <p>15 <b>seat. Managers who make compensation</b></p> <p>16 <b>recommendations sit closely -- you know, have</b></p> <p>17 <b>an intimate knowledge of what people are</b></p> <p>18 <b>working on and intimate understanding of the</b></p> <p>19 <b>difficulty of the seat.</b></p> <p>20 <b>So -- and depending on your role,</b></p> <p>21 <b>there would be a number of different factors</b></p> <p>22 <b>that would be relevant for difficulty of seat.</b></p> <p>23 <b>If you're a salesperson versus a trader versus</b></p> <p>24 <b>a strat, the things that made your seat</b></p> <p>25 <b>particularly difficult would be different.</b></p>	<p>1 A. <b>And I guess I'm saying that the</b></p> <p>2 <b>assessment of the difficulty of seat is --</b></p> <p>3 <b>depends based on the individual's role and on</b></p> <p>4 <b>this document there are a number of metrics</b></p> <p>5 <b>that would be relevant depending on your role</b></p> <p>6 <b>that would contribute to the difficulty of</b></p> <p>7 <b>seat.</b></p> <p>8 Q. But no separate document that sets</p> <p>9 forth those metrics specifically?</p> <p>10 A. <b>Not separate from those other</b></p> <p>11 <b>things I just described.</b></p> <p>12 Q. Before 2011, were there any -- does</p> <p>13 this refresh your recollection as to whether</p> <p>14 any documents existed before 2011 that formally</p> <p>15 defined the key metrics?</p> <p>16 MS. SULLIVAN: Objection, vague,</p> <p>17 asked and answered.</p> <p>18 A. Does what --</p> <p>19 Q. Does this document, which contains</p> <p>20 definitions of key metrics, refresh your</p> <p>21 recollection as to whether there were previous</p> <p>22 documents that contained written definitions of</p> <p>23 the metrics as were used before 2011?</p> <p>24 A. <b>So, the metrics were documented</b></p> <p>25 <b>before 2011. They existed places and they were</b></p>
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<p>1 Q. Are there documents that set forth</p> <p>2 those different factors and how to weigh them,</p> <p>3 if you know?</p> <p>4 MS. SULLIVAN: Objection, asked and</p> <p>5 answered, vague.</p> <p>6 A. All the metrics that are relevant</p> <p>7 are available. The determination of which ones</p> <p>8 you would consider would be based on your role</p> <p>9 or your seat or your manager's understanding of</p> <p>10 what you worked on that year.</p> <p>11 Q. And do you know if there's any</p> <p>12 document that sets forth specifically what</p> <p>13 difficulty of seat is?</p> <p>14 MS. SULLIVAN: Same objection.</p> <p>15 A. I think difficulty of seat is an</p> <p>16 understood concept. It's not particularly</p> <p>17 complicated.</p> <p>18 Q. So the answer is you don't know of</p> <p>19 specific materials that explicitly lay that</p> <p>20 out?</p> <p>21 A. <b>This is a written material that</b></p> <p>22 <b>says it should be -- that it's another</b></p> <p>23 <b>consideration.</b></p> <p>24 Q. No, I'm asking about materials that</p> <p>25 describe how to assess the difficulty.</p>	<p>1 <b>present at the meetings we discussed where</b></p> <p>2 <b>compensation decisions were made. This</b></p> <p>3 <b>document memorializes the practice that</b></p> <p>4 <b>existed, so the metrics existed and were</b></p> <p>5 <b>documented.</b></p> <p>6 <b>I'm not necessarily familiar with a</b></p> <p>7 <b>document that laid out the definitions of the</b></p> <p>8 <b>metrics, but the metrics were provided and</b></p> <p>9 <b>documented.</b></p> <p>10 Q. So you'd never seen a document</p> <p>11 actually defining them until -- until 2011?</p> <p>12 MS. SULLIVAN: Objection, asked and</p> <p>13 answered.</p> <p>14 A. I may have seen documents where</p> <p>15 metrics were discussed or included in relation</p> <p>16 to compensation decisions, but not a list of</p> <p>17 definitions.</p> <p>18 Q. Okay. And has there been any</p> <p>19 enhanced monitoring since 2011 to look at how</p> <p>20 managers are applying these metrics in making</p> <p>21 compensation decisions?</p> <p>22 MS. SULLIVAN: Objection, vague.</p> <p>23 A. The practice remains consistent and</p> <p>24 the discussion around the metrics continues to</p> <p>25 happen. The key difference is it's been</p>

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DATED JULY 10, 2013  
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Q. So can people go directly from vice president to PMD?

A. No.

Q. So talking only then about the promotion from vice president to EMD or MD. So you said it starts when the business unit heads are asked for a list of candidates by HCM?

A. Yes.

Q. What happens next?

A. **They'll come back to us -- they'll meet with their manager similar to the process we described with quartiling and with comp. They'll talk to the managers in their business unit and come up with a list of candidates.**

Q. Are there any limits on how many candidates they're permitted to have on their list?

A. **So, there's some discussion at the executive committee level where all of these business unit heads will be present, just about being thoughtful and disciplined on how many people you put up and thinking about the percent of your population that should be a managing director, but there's not express limits by business units set.**

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career development.

Q. Can you outline for me at a high level how the promotion process in the Securities Division from vice president to managing director?

A. Sure.

MS. SULLIVAN: That was a little bit of an incomplete question so I'm just going to object on vagueness.

Q. Can you outline for me at a high level the promotion process in the Securities Division from vice president to managing director?

A. **The business unit heads are asked for a list of candidates. It's kind of the first step.**

Q. Asked by whom?

A. **By divisional HCMs, by my team.**

Q. And in the Securities Division do you have extended managing director or participating managing director?

A. **So, extended managing directors we refer to as managing directors or EMDs and then partners or participating managing directors are the same thing.**

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Q. And are there written documents that accompany your request to the -- "your" meaning HCMs request to the business unit leaders that contain those guidelines on number of candidates?

A. **We don't have guidelines on number of candidates.**

Q. I mean, what you've just outlined about being thoughtful.

MS. SULLIVAN: Objection, vague.

A. There's no document sent to managers with guidelines on numbers.

Q. And the communication for the list of candidates, is that a written communication?

A. **It may vary, but it could come in the form of writing in asking for names backed by a deadline.**

Q. And so then you said the business unit leaders meet with the managers to come up with a list of candidates, and then what happens?

A. **That list of candidates will be submitted to my team, Securities Division HCM.**

Q. Are there any minimum eligibility requirements for candidates, like for example

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<p>1 you had to have been a VP for X years?</p> <p>2 <b>A. For the Securities Division it's</b></p> <p>3 <b>around typically two years is the minimum.</b></p> <p>4 Q. Is that guideline written?</p> <p>5 <b>A. I don't believe so.</b></p> <p>6 Q. How do you know it's two years?</p> <p>7 <b>A. I've been involved -- just based on</b></p> <p>8 <b>my involvement in the process. We look at --</b></p> <p>9 <b>when the names come back, we'd look at VP or</b></p> <p>10 <b>look at all of those things and then we'd --</b></p> <p>11 Q. What other things would you look</p> <p>12 at -- well, let me rephrase. Are there other</p> <p>13 minimum qualifications for nomination other</p> <p>14 than having been a VP for two years?</p> <p>15 <b>A. The other -- there's not minimum</b></p> <p>16 <b>requirements. The criteria of things we're</b></p> <p>17 <b>interested in are people who demonstrate good,</b></p> <p>18 <b>strong commercial productivity, leadership</b></p> <p>19 <b>culture and values. We would look at your</b></p> <p>20 <b>quartile.</b></p> <p>21 Q. That's helpful, but I want to be</p> <p>22 clear. I'm asking specifically about are</p> <p>23 there -- other than having been a VP for two</p> <p>24 years, are there other minimum qualifications?</p> <p>25 <b>A. No.</b></p>	<p>1 <b>A. Nothing besides what I referenced</b></p> <p>2 <b>comes to mind.</b></p> <p>3 Q. Okay. So then what happens?</p> <p>4 <b>A. The executive committee would have</b></p> <p>5 <b>a discussion about if the aggregate information</b></p> <p>6 <b>looked appropriate for the division. So do we</b></p> <p>7 <b>want to be considering more or less candidates</b></p> <p>8 <b>overall than last year, does any business unit</b></p> <p>9 <b>have more or less candidates than they did the</b></p> <p>10 <b>year before, that the percent of managing</b></p> <p>11 <b>directors already looked very high in their</b></p> <p>12 <b>business unit, did they lose a lot of managing</b></p> <p>13 <b>directors or hire a lot of managing directors</b></p> <p>14 <b>in the past year and we would also look at</b></p> <p>15 <b>gender and diversity in that overlay.</b></p> <p>16 Q. So what do you mean by the overlay</p> <p>17 between gender and diversity?</p> <p>18 <b>A. Are you just asking what I mean by</b></p> <p>19 <b>what I said?</b></p> <p>20 Q. Yeah.</p> <p>21 <b>A. We'd look at the number -- the</b></p> <p>22 <b>percent of women on the cross-ruffing list and</b></p> <p>23 <b>see -- we'd like it to be consistent or</b></p> <p>24 <b>increasing over time.</b></p> <p>25 Q. So, the steps as you've outlined so</p>
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<p>1 Q. Okay. So you get your list -- HCM</p> <p>2 gets the lists from the business units and then</p> <p>3 what happens?</p> <p>4 <b>A. HCM will review the list at an</b></p> <p>5 <b>aggregate level and share it with the executive</b></p> <p>6 <b>committee at an aggregate level.</b></p> <p>7 Q. What do you mean by, at an</p> <p>8 aggregate level? You'll combine all the lists?</p> <p>9 <b>A. We'll combine all the lists into</b></p> <p>10 <b>one and we'll share some high level stats.</b></p> <p>11 Q. High level stats about each</p> <p>12 candidate?</p> <p>13 <b>A. That information might be in the</b></p> <p>14 <b>backdrop which would include quartile, but the</b></p> <p>15 <b>main stats that they'd be thinking about were</b></p> <p>16 <b>aggregate stats. So how many candidates by</b></p> <p>17 <b>business unit or how many candidates this year</b></p> <p>18 <b>versus last year total for the division and we</b></p> <p>19 <b>would also look at gender.</b></p> <p>20 Q. So that information would be</p> <p>21 provided to the executive committee, the list</p> <p>22 of names and the high level stats?</p> <p>23 <b>A. Yes.</b></p> <p>24 Q. Is anything else provided to the</p> <p>25 executive committee at that point?</p>	<p>1 far have they been consistent from 2000 to</p> <p>2 2012?</p> <p>3 <b>A. I believe so, yes.</b></p> <p>4 Q. Okay. Will the HCM provide any of</p> <p>5 its own annotation to the executive committee</p> <p>6 about the statistics?</p> <p>7 MS. SULLIVAN: Objection, vague.</p> <p>8 Q. In addition to providing the high</p> <p>9 level stats, do you characterize them or say,</p> <p>10 you know, hey FYI, we have fewer women than</p> <p>11 last year as a percentage of overall or</p> <p>12 anything like that, or more women, whatever?</p> <p>13 <b>A. It would be evident from the stats</b></p> <p>14 <b>and there's a high degree of focus from</b></p> <p>15 <b>business leaders on those stats. So I think</b></p> <p>16 <b>there's a universal agreement that that's what</b></p> <p>17 <b>we're -- you know, we all have the same goal.</b></p> <p>18 Q. Was there -- if you know, how did</p> <p>19 it come about that the gender information was</p> <p>20 included in these high level stats along with</p> <p>21 related statistics about women's participation</p> <p>22 at the MD level?</p> <p>23 <b>A. Can you clarify that?</b></p> <p>24 Q. Yeah, I mean, how did it come about</p> <p>25 that this gender information was included among</p>

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<p>1 these small number of high level stats provided 2 to the executive committee?</p> <p>3 <b>A. So, I think diversity is a firm 4 business, you know, firm business principle. 5 It's important to the senior leadership of the 6 firm and of the division. So it's a relevant 7 consideration as we try and increase the number 8 of women in leadership.</b></p> <p>9 Q. Who decided to start including 10 women -- gender information in these high level 11 stats? Do you know, was it the Securities 12 Division or the firm?</p> <p>13 <b>A. I would assume it's the Securities 14 Division because the firm doesn't inform the 15 stats that we prepare.</b></p> <p>16 Q. And do the documents that HCM 17 presents to the executive committee, you know, 18 the list and the high level stats, do those 19 have a name?</p> <p>20 <b>A. No. I mean it would be the -- no.</b></p> <p>21 Q. And then what happens?</p> <p>22 <b>A. If the executive committee has any 23 feedback related to the stuff we discussed 24 about too many candidates this year versus last 25 year, not enough, too many by business units,</b></p>	<p>1 <b>list to the firm. To whom at the firm?</b></p> <p>2 <b>A. Within HCM that's a Talent 3 Assessment Group.</b></p> <p>4 Q. What happens there?</p> <p>5 <b>A. The -- if you backtrack a little 6 bit, before we submit -- before we collate and 7 submit the candidate list, the divisions pick a 8 cross-ruffing team in Securities. We have one 9 FICC team and one Equities team.</b></p> <p>10 Q. So you pick the teams at the same 11 time that you're gathering the list to send to 12 TAG, Talent Assessment Group?</p> <p>13 <b>A. Typically we pick the cross-ruffing 14 list before we collate the candidates. Maybe I 15 should have said that first.</b></p> <p>16 Q. So the list that you submit to TAG 17 is both a list of candidates and a list of 18 cross-ruffers?</p> <p>19 <b>A. And I believe we typically submit 20 the cross-ruffers before we submit the 21 candidates.</b></p> <p>22 Q. So that the number of candidates -- 23 you put forward every candidate that came out 24 of the second round essentially. The list of 25 candidates doesn't go back to the executive</p>
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<p>1 <b>they'd give that feedback to the business units 2 in the room and they would go back and meet 3 with their business managers and make some 4 changes to the list which would get submitted 5 to us again in HCM.</b></p> <p>6 Q. And do you know if those 7 discussions within the executive committee 8 about the initial list, are those written?</p> <p>9 <b>A. They're not documented, no.</b></p> <p>10 Q. So do any documents come out of 11 those meetings?</p> <p>12 <b>A. No, they just look at the documents 13 we provide.</b></p> <p>14 Q. Okay. And, so, the next thing -- 15 then the business unit leaders meet with their 16 managers and then a new list is provided to 17 HCM?</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. And then what happens?</p> <p>20 <b>A. Whatever deadline is set by the 21 firm, we'll submit our list of candidates to 22 the firm.</b></p> <p>23 <b>(Recess taken.)</b></p> <p>24 <b>Q. When we last left off, you 25 testified that HCM then submitted the candidate</b></p>	<p>1 committee?</p> <p>2 MS. SULLIVAN: Objection, vague.</p> <p>3 A. They'll see it, but there's usually 4 only one turn.</p> <p>5 Q. And so the list of -- so the list 6 of candidates are sent to TAG. Previous to 7 that, HCM has sent a cross-ruffing team for 8 FICC and for Equities to TAG?</p> <p>9 <b>A. And then cross-ruffer list is 10 decided on with HCM and the division heads and 11 the executive committee. So it's an executive 12 decision who the cross-ruffers will be.</b></p> <p>13 Q. Is that a separate meeting than the 14 one that lists the list of candidates?</p> <p>15 <b>A. Yes.</b></p> <p>16 Q. Which meeting happens first, the 17 meeting about the candidates or the meeting 18 about the cross-ruffers?</p> <p>19 <b>A. The meeting about the 20 cross-ruffers.</b></p> <p>21 Q. And could you please describe who 22 the cross-ruffers are in terms of their 23 functions?</p> <p>24 MS. SULLIVAN: Vague.</p> <p>25 Q. What is the meaning of</p>



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<p>1 cross-ruffing in the Securities Division?</p> <p>2 <b>A. It's the process the group of</b></p> <p>3 <b>selected cross-ruffers undergo to evaluate the</b></p> <p>4 <b>candidates put forth for managing director.</b></p> <p>5 Q. The cross-ruffers are those with</p> <p>6 responsibility for evaluating the candidates</p> <p>7 for promotion?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. And what are the criteria to select</p> <p>10 the cross-ruffers?</p> <p>11 <b>A. So, in the Securities Division, we</b></p> <p>12 <b>consider managing directors or partners. We're</b></p> <p>13 <b>typically looking at people who haven't done it</b></p> <p>14 <b>in the past two years because it's a big time</b></p> <p>15 <b>commitment. You should be high performing and</b></p> <p>16 <b>then we look for a diversified mix on the team</b></p> <p>17 <b>across region, function, gender, background.</b></p> <p>18 Q. And is there someone who has</p> <p>19 responsibility to put together an initial list</p> <p>20 of proposed cross-ruffers that gets discussed</p> <p>21 at those meetings with the executive committee</p> <p>22 and the business unit leaders?</p> <p>23 <b>A. HCM, my team, would put together an</b></p> <p>24 <b>initial long list. We'd probably -- in that</b></p> <p>25 <b>process we'd take suggestions from a lot of</b></p>	<p>1 cross-ruffing list and the candidate list.</p> <p>2 What happens then?</p> <p>3 <b>A. The Securities Division</b></p> <p>4 <b>cross-ruffers would begin meeting. The FICC</b></p> <p>5 <b>teams and Equities teams meet separately.</b></p> <p>6 Q. Does the TAG have any discretion in</p> <p>7 changing the cross-ruffing list or changing the</p> <p>8 candidate list?</p> <p>9 <b>A. I can't think of examples of --</b></p> <p>10 <b>well, TAG doesn't have any discretion. They</b></p> <p>11 <b>may share it with the head of HR or other</b></p> <p>12 <b>people for the whole firm. I can't think of</b></p> <p>13 <b>examples where the candidate list has been</b></p> <p>14 <b>changed. They may make additional suggestions</b></p> <p>15 <b>to who's on the cross-ruffing team.</b></p> <p>16 Q. Do you know based on what criteria</p> <p>17 they used to make additional suggestions on the</p> <p>18 cross-ruffing team?</p> <p>19 <b>A. Typically based on regional or</b></p> <p>20 <b>diversity or business representation, so to</b></p> <p>21 <b>ensure a diversified representation of people</b></p> <p>22 <b>on the cross-ruffing teams.</b></p> <p>23 Q. And can you think of specific</p> <p>24 examples where it's been communicated to</p> <p>25 Securities by the firm that there should be</p>
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<p>1 <b>difference business heads and franchise</b></p> <p>2 <b>managers. We'd share the long list with the</b></p> <p>3 <b>COO and the division heads and get their</b></p> <p>4 <b>reaction.</b></p> <p>5 Q. And how many cross-ruffers are</p> <p>6 there for each division within Securities?</p> <p>7 <b>A. Somewhere between 10 and 13 between</b></p> <p>8 <b>the division. That's global so it would depend</b></p> <p>9 <b>on how many people are in the Americas.</b></p> <p>10 Q. About how many?</p> <p>11 <b>A. Six.</b></p> <p>12 Q. And do the people in the Americas</p> <p>13 cross-ruff the U.S. candidates or is it --</p> <p>14 <b>A. No, it's a global process.</b></p> <p>15 Q. So you'd be cross-ruffed by</p> <p>16 everybody?</p> <p>17 MS. SULLIVAN: Objection.</p> <p>18 Q. In other words, you the candidate</p> <p>19 for the MD position would -- in the FICC</p> <p>20 division, would be cross-ruffed by all 13 of</p> <p>21 those people?</p> <p>22 <b>A. We typically assign a subset of the</b></p> <p>23 <b>candidates to an individual cross-ruffer, but</b></p> <p>24 <b>you're not assigned based on your region.</b></p> <p>25 Q. So now the TAG has the</p>	<p>1 more gender diversity in the cross-ruffing</p> <p>2 team?</p> <p>3 MS. SULLIVAN: Objection, vague.</p> <p>4 <b>A. I cannot.</b></p> <p>5 Q. I assume there's been no</p> <p>6 communication that there should be less gender</p> <p>7 diversity?</p> <p>8 <b>A. I'm certain that that has not been</b></p> <p>9 <b>the case. But we -- I can speak from the</b></p> <p>10 <b>period 2005 to present, there have been --</b></p> <p>11 <b>we've ensured gender diversity and ethnic</b></p> <p>12 <b>diversity on the teams.</b></p> <p>13 Q. In the same way that you prepare</p> <p>14 materials about the candidates for the meeting</p> <p>15 with the executive committee, does HCM prepare</p> <p>16 materials about the long list of cross-ruffers</p> <p>17 for the executive committee?</p> <p>18 MS. SULLIVAN: Objection, vague.</p> <p>19 <b>A. We would definitely have a list of</b></p> <p>20 <b>people because it's such a short list, I'm not</b></p> <p>21 <b>sure how many statistics we would prepare, but</b></p> <p>22 <b>they would see a roster of names.</b></p> <p>23 Q. Do they see anything other than</p> <p>24 name?</p> <p>25 <b>A. They would see region, business</b></p>

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<p>1 <b>unit, function MD</b></p> <p>2 <b>Q. Title and gender?</b></p> <p>3 <b>A. They would know the gender of the</b></p> <p>4 <b>individuals.</b></p> <p>5 Q. All right. So then you said the</p> <p>6 cross-ruffer teams meet?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. And so then what happens then?</p> <p>9 <b>A. The FICC teams and Equity teams</b></p> <p>10 <b>meet separately. We've assigned the captain.</b></p> <p>11 <b>Each team has a captain. The captain, in</b></p> <p>12 <b>conjunction with HCM, would assign candidates</b></p> <p>13 <b>to individuals cross-ruffers.</b></p> <p>14 Q. And then what happens?</p> <p>15 <b>A. The cross-ruffers would conduct</b></p> <p>16 <b>interviews on the candidates that are assigned</b></p> <p>17 <b>to them with the managing directors and</b></p> <p>18 <b>partners that have interaction with that</b></p> <p>19 <b>candidate and knowledge of their activities.</b></p> <p>20 Q. And they don't interview the</p> <p>21 candidate him or herself; correct?</p> <p>22 <b>A. Correct.</b></p> <p>23 Q. Are there any guidelines or</p> <p>24 template questions that the cross-ruffers use</p> <p>25 in their interviews with the managing directors</p>	<p>1 the Securities Division or the firm-wide?</p> <p>2 <b>A. There used to be a Securities</b></p> <p>3 <b>Division-specific questionnaire. There's now a</b></p> <p>4 <b>firm-wide questionnaire, but the detail and</b></p> <p>5 <b>nuance you would collect would be really</b></p> <p>6 <b>specific to Securities. We also provide for</b></p> <p>7 <b>Security specific information on the</b></p> <p>8 <b>candidates.</b></p> <p>9 Q. Is that information conveyed during</p> <p>10 the kickoff meeting?</p> <p>11 <b>A. Or subsequent meetings depending on</b></p> <p>12 <b>timing.</b></p> <p>13 Q. And, so, when did the firm-wide</p> <p>14 questionnaire come into effect?</p> <p>15 <b>A. I want to say 2010, 2011. I'm not</b></p> <p>16 <b>sure.</b></p> <p>17 MS. GEMAN: Counsel, do you know if</p> <p>18 you've produced the division specific</p> <p>19 questionnaire and the firm-wide</p> <p>20 questionnaire.</p> <p>21 MS. SULLIVAN: I'd have to check.</p> <p>22 + MS. GEMAN: We'd ask for the</p> <p>23 production of those materials if they</p> <p>24 haven't already been produced. And also</p> <p>25 for the packet of materials given by HCM to</p>
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<p>1 and partners who have worked with a candidate?</p> <p>2 MS. SULLIVAN: Objection, vague.</p> <p>3 <b>A. The cross-ruffers attend a</b></p> <p>4 <b>cross-ruffing best practices workshop and they</b></p> <p>5 <b>also use a questionnaire.</b></p> <p>6 Q. And the cross-ruffing best</p> <p>7 practices workshop is the TAG sponsored</p> <p>8 workshop; correct?</p> <p>9 <b>A. Correct. We also have a Securities</b></p> <p>10 <b>Division, like, kickoff meeting with each team</b></p> <p>11 <b>where the captain and HCM would talk about best</b></p> <p>12 <b>practices that are more specific to Securities.</b></p> <p>13 Q. Are there written documents that</p> <p>14 are associated with that Securities Division</p> <p>15 meeting, either materials provided to the</p> <p>16 attendees or generated by the meeting?</p> <p>17 <b>A. We would share the questionnaire</b></p> <p>18 <b>form and we would -- that would sort of talk</b></p> <p>19 <b>about the criteria because they're consistent</b></p> <p>20 <b>with the questions you ask. There's some other</b></p> <p>21 <b>administrative stuff that we'd help with, like</b></p> <p>22 <b>I think we have a guide for how your assistant</b></p> <p>23 <b>should schedule your meetings, things along</b></p> <p>24 <b>those lines.</b></p> <p>25 Q. And who makes the questionnaire,</p>	<p>1 the executive committee in connection with</p> <p>2 the candidates?</p> <p>3 MS. SULLIVAN: I don't know that</p> <p>4 there was testimony on a packet of</p> <p>5 materials, but I can look back at the</p> <p>6 transcript.</p> <p>7 MS. GEMAN: Yeah. I mean, there</p> <p>8 was a discussion of names plus high level</p> <p>9 statistics.</p> <p>10 Q. Do you have a flavor for what --</p> <p>11 how long is the questionnaire?</p> <p>12 <b>A. I believe it's two pages.</b></p> <p>13 Q. Are the cross-ruffers given any</p> <p>14 training about interviewing techniques?</p> <p>15 <b>A. They're told things like the</b></p> <p>16 <b>information you discuss is confidential. You</b></p> <p>17 <b>should be probing. Much of that would be</b></p> <p>18 <b>discussed at the cross-ruffing best practices</b></p> <p>19 <b>workshop.</b></p> <p>20 Q. Is that attended by people across</p> <p>21 divisions?</p> <p>22 <b>A. Yes.</b></p> <p>23 Q. Okay. And then what happens? So</p> <p>24 there's the kickoff meeting, the cross-ruffers</p> <p>25 are given the questionnaire and either at that</p>

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<p>1 meeting or subsequent meeting they're given</p> <p>2 production information. What other information</p> <p>3 are the cross-ruffers given about the</p> <p>4 candidates?</p> <p>5 <b>A. They're given their quartile and</b></p> <p>6 <b>their 360 review for the past two years.</b></p> <p>7 Q. And over what period of time is</p> <p>8 production information given?</p> <p>9 <b>A. I believe they're given the prior</b></p> <p>10 <b>year and year-to-date for that year.</b></p> <p>11 Q. Okay. And what about comp.</p> <p>12 information?</p> <p>13 <b>A. No comp. information.</b></p> <p>14 Q. For the employees -- for the vice</p> <p>15 presidents in the Securities Division who don't</p> <p>16 have production information like the strats, is</p> <p>17 anything given in its place?</p> <p>18 <b>A. We also give a role description as</b></p> <p>19 <b>collected from the manager and some managers</b></p> <p>20 <b>may include in that role description discussion</b></p> <p>21 <b>about their contribution to the -- their</b></p> <p>22 <b>contribution to the P&amp;L of the given unit.</b></p> <p>23 Q. But there's no metric or</p> <p>24 productivity metric automatically given like</p> <p>25 desk performance or something?</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>



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1 **REDACTED FILED UNDER SEAL**  
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1 Q. And then what happens?  
 2 A. **And the cross-ruffing team shared**  
 3 **their views with the executive office at the**  
 4 **meeting.**  
 5 Q. And then who makes the division?  
 6 A. **The next step in the process is**  
 7 **that the division heads would meet with the**  
 8 **executive office -- I guess the -- if I take a**  
 9 **step back, the cross-ruffing team's information**  
 10 **is also shared with the Securities Division**  
 11 **executive committee and the division heads**  
 12 **within the division.**  
 13 Q. And then what happens?  
 14 A. **The executive committee and the**  
 15 **division heads would think about if there's any**  
 16 **places where they may have a different view**  
 17 **from the cross-ruffing team.**  
 18 Q. Different view on ranking?  
 19 A. **Ranking or how many candidates they**  
 20 **would propose promoting or on the ranking.**  
 21 Q. So do the cross-ruffers -- when you  
 22 say 1 to N, I assume N was the number of people  
 23 being cross-ruffed?  
 24 A. **Typically they rank them 1 to N and**  
 25 **they might also -- they're usually asked to**

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1 **make a recommendation of where they would draw**  
 2 **the line.**  
 3 Q. So what criteria informs where they  
 4 would draw the line; is it the business needs  
 5 of how many MDs or at what level is somebody  
 6 just not ready?  
 7 MS. SULLIVAN: Objection, vague and  
 8 compound.  
 9 Q. Or something else?  
 10 A. **There would be a number of factors**  
 11 **that inform their decision. A lot of it would**  
 12 **be based on the quality of the candidates and**  
 13 **at what point they thought the line should be**  
 14 **drawn.**  
 15 Q. And if somebody is passed over one  
 16 year, are they automatically considered the  
 17 next or do they have to be renominated?  
 18 A. **They are often reconsidered but**  
 19 **they would have to be renominated.**  
 20 Q. What information, if any, is the  
 21 executive office provided about the candidates?  
 22 A. **So the cross-ruffers provide the**  
 23 **list of candidates ranked 1 through N and then**  
 24 **they also provide a one-page summary on each**  
 25 **individual candidate.**

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1 Q. You said following the meeting with  
 2 the executive office, the executive office  
 3 might have input as to whether there should be  
 4 fewer candidates or what the right number of  
 5 promotions there should be?  
 6 MS. SULLIVAN: Objection misstates  
 7 prior testimony.  
 8 A. I think I said the executive  
 9 committee. So, the Securities Division heads  
 10 and executive committee review what the  
 11 cross-ruffers came up with. That's at the  
 12 divisional level and they may have a  
 13 slightly -- they may have some suggested  
 14 changes or differences from where the  
 15 cross-ruffing team came out.  
 16 Q. Just to clarify, the cross-ruffers  
 17 will list people 1 to N and say where the line  
 18 should be drawn. And then is there a meeting  
 19 with the executive office of the firm and the  
 20 division heads?  
 21 A. **The cross-ruffers meet with the**  
 22 **executive office of the firm.**  
 23 Q. Yes.  
 24 A. **Separate from that, the division**  
 25 **heads and the executive committee of the**

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1 **division will review the cross-ruffing findings**  
 2 **and may make -- you know, have their own**  
 3 **thoughts about what their view would be.**  
 4 Q. And then are those communicated to  
 5 the executive office as well?  
 6 A. **Then there's another meeting with**  
 7 **the division heads and the executive office at**  
 8 **which they'd look at the cross-ruffing rankings**  
 9 **and the division head's potential tweaks.**  
 10 Q. And then what happens?  
 11 A. **Then a consensus is drawn as to**  
 12 **where they would -- who they would promote.**  
 13 Q. And who has final decision making  
 14 authority over where to draw the line? I  
 15 understand they try to reach a consensus,  
 16 but --  
 17 MS. SULLIVAN: Objection, vague.  
 18 A. So, the -- typically the division  
 19 heads would have the best view on the right  
 20 business decision for their division and they  
 21 would communicate that to the executive office.  
 22 Q. And does the executive office  
 23 typically follow the suggestion of the division  
 24 heads?  
 25 A. **They typically follow the**

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1 **suggestion. There may be instances in which**  
 2 **they raise other thoughts.**  
 3 Q. Do the division heads submit their  
 4 own rankings?  
 5 A. **Yes. It's called the division head**  
 6 **list, but that is typically a cross-ruffer list**  
 7 **with a handful of changes.**  
 8 Q. Okay. So they're sort of edits or  
 9 tweaks to the cross-ruffer list as their own  
 10 list?  
 11 A. **Yes.**  
 12 Q. And the division heads, is that the  
 13 COO and the CFO?  
 14 A. **No, the actual division heads.**  
 15 Q. Okay. And then the executive  
 16 office you said typically follows the division  
 17 head's suggestion, and then the process is  
 18 done, the candidates are announced?  
 19 A. **Yes.**  
 20 Q. That process you just described you  
 21 mentioned one change in 2010 was there was --  
 22 went from being a Securities questionnaire to a  
 23 firm-wide questionnaire. Have there been any  
 24 other changes to that process between 2000 and  
 25 2012?

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1 A. **Changes to which part of the**  
 2 **process?**  
 3 Q. Any of those processes.  
 4 A. **So, there was a candidate**  
 5 **collection tool that used to be used years ago.**  
 6 **I couldn't tell you what year we stopped using**  
 7 **it. There was a web-based tool where all**  
 8 **managing directors could enter candidates. We**  
 9 **found that to be a pretty cumbersome,**  
 10 **inefficient process and our managing directors**  
 11 **weren't so tech savvy. So a lot of them didn't**  
 12 **use the web-based tool at the time.**  
 13 **So we switched to divisional HCM**  
 14 **team collecting the nominations. That would be**  
 15 **another substantive administration change.**  
 16 Q. It went from having the MDs collect  
 17 the nominations to the HCM collecting the  
 18 nominations?  
 19 A. **And -- it went from MDs entering**  
 20 **nominations into a website.**  
 21 Q. I see.  
 22 A. **The same process had still happened**  
 23 **after that where HCM looked at the nominations,**  
 24 **collected nominations from the business heads,**  
 25 **collated the list. All of that still happened,**

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1 **it's just that there was an initial process**  
 2 **whereby MDs could enter names into a website.**  
 3 **That yielded not a robust set of nominations**  
 4 **and people -- it was really ad hoc who used the**  
 5 **system so we stopped using it.**  
 6 Q. So what happened in its place?  
 7 A. **The managing directors have**  
 8 **conversations with their business unit heads to**  
 9 **submit names at a meeting.**  
 10 Q. And I mean there's a couple of  
 11 changes there, right? One is that whether it  
 12 went to a web or to the business unit head.  
 13 But does the business unit head have  
 14 substantive input?  
 15 MS. SULLIVAN: Objection, vague.  
 16 A. That was consistent before and  
 17 after.  
 18 Q. I see, okay. So it was still the  
 19 case before that the MDs would still meet with  
 20 the business unit heads to discuss the  
 21 candidates, the difference is that rather than  
 22 having the MDs also enter the names into a  
 23 web-based system, they would communicate them  
 24 to the business unit leaders who would in turn  
 25 communicate them to the HCM?

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<p>1 <b>A. Yes. So, the business unit heads</b>  2 <b>still met with the MDs, still collated the</b>  3 <b>list. They'll submit it to HCM. There was</b>  4 <b>just that other system.</b>  5 Q. It's a nonsubstantive change?  6 <b>A. Yes.</b>  7 Q. Any other change in the process  8 that you can think of?  9 <b>A. None that come to mind.</b>  10 Q. And do you know if there's any  11 reviewing or monitoring of the nomination  12 process to make sure that the -- I understand  13 that when the names are submitted there's an  14 examination of the regional and diversity  15 considerations. Is there any examination of  16 the people who aren't nominated?  17 MS. SULLIVAN: Objection, vague.  18 A. Can you clarify what you mean?  19 Q. Yeah, does anybody in the  20 Securities Division or, to your knowledge, at  21 the firm do any monitoring of the promotions  22 process to see if people are getting repeatedly  23 passed over?  24 <b>A. So, if there were folks that we</b>  25 <b>discussed in any of our career development</b></p>	<p>1 <b>REDACTED FILED UNDER SEAL</b>  2  3  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20  21  22  23  24  25</p>
Page 235	Page 237
<p>1 <b>forms or pipeline discussions that weren't</b>  2 <b>nominated, HCM or the business heads could</b>  3 <b>probe as to why. So, I've done some of that</b>  4 <b>probing myself.</b>  5 <b>And, similarly, employees who feel</b>  6 <b>that they've been passed over for some reason,</b>  7 <b>similar with any other issues that they have,</b>  8 <b>they can raise issues or concerns to HCM.</b>  9 Q. And for how long has it been the  10 case that HCM has been using pipeline and other  11 data to make suggestions or raise questions  12 about why some people may not have been  13 nominated?  14 <b>A. I would think the whole period.</b>  15 Q. Okay. And do you have -- has HCM,  16 someone in HCM, had discussions like that every  17 year?  18 <b>A. I would think so.</b>  19 Q. Do you know, have those discussions  20 always resulted in the person getting nominated  21 who originally had not been nominated?  22 <b>A. It depends on the situation. I</b>  23 <b>would say often when I've had the conversation,</b>  24 <b>a manager would typically have a very good</b>  25 <b>reason as to why a person was not included.</b></p>	<p>1 <b>REDACTED FILED UNDER SEAL</b>  2  3  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20  21  22  23  24  25</p>

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1 but are some candidates cross-ruffed in-depth  
2 versus given a so-called quick pass?

3 MS. SULLIVAN: Objection, vague.

4 A. Cross-ruffing is a pretty thorough  
5 process. I can't think of any examples where  
6 anybody was given a quick pass. Candidates  
7 should be -- there should be serious  
8 consideration paid to anyone who's on that  
9 list.

10 That may vary from division to  
11 division, but in secures if you're on that list  
12 you're getting cross-ruffed thoroughly.

13 (Recess taken.)

14 Q. I want to make sure the record is  
15 clear of executive office versus executive  
16 committee. I believe you testified that there  
17 are -- that the cross-ruffers present to the  
18 executive office and then at a similar time the  
19 cross-ruffers present to the executive  
20 committee of the Securities Division?

21 A. Yes.

22 Q. Okay. And then there's a  
23 subsequent meeting with the executive office?

24 A. **A subsequent meeting with the**  
25 **executive office and the division heads.**

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1 Q. And the division heads, okay. And  
2 that's the final meeting?

3 A. Yes.

4 Q. I'm not sure I understood which  
5 list of candidates is reviewed at that final  
6 meeting. Is it the list that the division  
7 heads have edited of the ranked candidates or  
8 the original ranking list?

9 A. Both.

10 Q. They have both lists?

11 A. Both lists.

12 Q. Okay. And --

13 A. **And the executive office had**  
14 **already seen the cross-ruffing list anyway when**  
15 **the cross-ruffers come to meet with them.**

16 Q. Right.

17 A. **But present at the meeting with the**  
18 **division head are both lists.**

19 Q. And who has final decision making  
20 authority on number of slots; was it the  
21 division heads or the executive office?

22 A. **Similar to the other processes**  
23 **we've discussed, there's a consensus building**  
24 **about the business and the need across the**  
25 **firm, across the -- you know.**

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<p>1 Q. Absent ability to reach consensus, 2 who was the -- if you know, who was the final 3 say?</p> <p>4 MS. SULLIVAN: Objection, vague.</p> <p>5 A. The executive office will largely 6 agree with the division head list. If there 7 are any tweaks or changes, it would be very 8 really minor. They tend to revolve then around 9 more firm-wide issues outside the division 10 heads' scopes. So that might be based on 11 region, things like that.</p> <p>12 Q. When you say they tend to revolve 13 then around more firm-wide issues, the "they" 14 is the executive office or the changes?</p> <p>15 A. <b>The "they," the issues that would</b> 16 <b>make a change from the division head list.</b></p> <p>17 Q. And the division head list includes 18 not only the ranking, but the number of slots?</p> <p>19 A. <b>Yes.</b></p> <p>20 Q. Okay. And who are the division 21 heads presently for Securities?</p> <p>22 A. <b>Isabel Ealet.</b></p> <p>23 Q. I beg your pardon, I mean division 24 heads for the U.S. Securities.</p> <p>25 A. <b>So we don't have any U.S. division</b></p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

**DECLARATION OF THEODORE O. ROGERS, JR.  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR  
CLASS CERTIFICATION**

**EXHIBIT 16 - TRANSCRIPT OF THE DEPOSITION OF CAROLINE HELLER SBERLOTI  
DATED JULY 10, 2013  
(PAGES 246-258)**

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